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THIS IS UNEVALUATED INFORMATION

1. The present director of the Diósgyőr Foundry is Géza Varga. Alexander Harmati, party secretary of Borsod County, is in charge of control for the Communist Party. From a technical point of view, Alexander Nyilas, head of the Smelting and Machine Industry Ministry's smelting division, exercises supreme control. Ladislav Komjath a deputy of the Minister of Smelting and Machine Industry, often comes to Diósgyőr. He usually sharply criticizes the heads of the sections for "lack of technological discipline." Head of the Diósgyőr Foundry's smelting furnaces is Anthony Somogyi, who admits that in 1952 the plant was constantly lagging behind the prescribed plan for raw iron production with 5,000 to 8,500 tons.
2. The real leaders of the plant are the Soviet Russian "advisers" who hold themselves completely in the background, so that almost nobody, except the above mentioned Hungarian directors, know anything about their doings. Informant saw only one of them, Chief Engineer Raktchayev (fuu), whose main task is to control the merciless driving of the workers (now euphemistically called "technological discipline"), and to make certain that the production norms, fixed by the Soviet Russian "advisers," are rigorously followed. He continually insists upon increasing the number of portions fed to the furnaces. It should be noted here, that in the fall of 1951 a new group of Hungarian workers from Diósgyőr was sent to the USSR to learn "technological discipline" in the Soviet smelting works.
3. Head of the Diósgyőr Foundry's Martin Furnace section is Stephen Zombori; head engineer is Stephen Farkas; chief engineer is Gerald Répási; secretary of the Communist Party is Alexander Gergely; representative of the MEO is Francis Pete. The political officers are responsible for every default, difficulty, lagging, etc., and therefore these change frequently.

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4. The importance of the Diósgyőr Foundry is very considerable both from the point of war reparations deliveries to the Soviet Union, which still go on, and war equipment export to the Soviets. This plant furnishes 80 percent of Hungary's rolled steel production. The quality of the present production is poor; the quality of the plates for tanks and boilers is even worse. The axle steel produced by the Martin Furnaces of Diósgyőr contained 30 percent scrap in 1952.
5. The processing of axles for railway cars is done by the Dimavag Works. The processing of the armored and boiler plates is done by the rolling mills of Lőrinc. As a result of faulty work, a great number of steel plates open up during heating. The Russians are furious. To overcome the many defaults, they ordered that considerably less scrap iron should be fed to the furnaces. Furnace No. 1 makes armor and boiler plates; furnace No. 9 makes axle steel. It has been ordered that slag be removed twice from the furnaces, and less lime added, for allegedly, lime greatly increases slag formation. But the root of the defects is the increased tempo of the work, and the constantly deteriorating quality of the raw materials. The main product of the Diósgyőr Foundry is 50 kilogram rail steel, which is rolled by the same factory. Chief engineer in charge of rail steel production is Réti (fnu), and he has been made responsible for the very faulty production.
6. Furnace No. 3 in the Diósgyőr Martin Furnaces was rebuilt in the fall of 1952. Furnaces No. 5 and 6 are being pulled down, and in their stead Hungary's biggest new Martin Furnace will be erected.

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